P 112E

App. F. IX-4

Previous References

1936-9.
(C.S)

File No. 11-36

Serial Nos. 40, 92, 164, 182, 191, 202, 213, 249, 250, 261, 265.

PRESERVED

Letter References

CS. 1939. 3.5.6.10.14.17.20.21.37

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. 9 to 21

Part B for July 38

SUBJECT.

Revision of the Constitution of Apex Bank.

WD 0295—GPB—22,500—18-8-37

3646

GENERAL AND REVENUE SECRETARIAT.

(GS.)

NOTES.

File No: 11-36

FILE HEADING.

Recommendations of the Committee on Cooperation in Mysore

FROM The Registrar Cooperation in Mysore

No. 5643 Dated 9-1-37 Received 11-1-37

Diary No. 3646 Enclos. - Spare copies - Serial No. 40

BRIEF ABSTRACT OF LETTER

Request in the circumstances explained therein to the revision of the Directorate of the Apex Bank and to certain changes recommended by the Committee and by him in regard to the election and nomination to the Directorate

NOTES AND ORDERS.

1) The Committee recommend that the strength of the ~~panel~~ Directorate of the Apex Bank may be raised by two so as to make it fifteen and that five places each be reserved for rural and urban societies respectively, ~~and~~ two for individual share holders and two for nomination by Govt - the President being co-opted by the general body, ~~the~~ third of the Directors retiring annually by rotation. The Committee

5 Govt
- Rep
2 Apex
2 Ind
1
+ 1 President

NOTES—First Sheet

WD 69—GBPM—5,000—14-7-31

Revision of the Directorate of the Apex Bank

3606

Govt. File No. 11 of 1936. | General and Revenue Secretariat

also recommend that the Constitution of the Directorate of Central institutions should be defined in outlines in the Regulation itself leaving details to rules.

2) The Registrar also recommends that the Constitution of the Apex Boards should be defined either in the Regulation or under a rule and as to the proportion of election and nomination proposed by the Committee but goes further and suggests that the President be nominated by Govt.

3) Before considering the recommendations of the Committee and the Registrar on its merits, it seems desirable to examine how far the Govt can interfere in the internal administration and working of the Apex Banks. It is submitted that the Apex Bank is a society registered under the Co. Regulation and is an autonomous body just as any other Cooperative society registered under the Regulation. Govt have no doubt sometimes loans to the Bank and allowed them a cash credit, and have thus their sanctions to advance upto Rs one lakh whenever advance is required and to grant accommodation on terms to be mutually agreed upon re the rate of interest & period of payment and have also permitted Local bodies Trusts and Temple Institutions to deposit their funds at current rate of interest if the administration Concerned chooses to adopt such a course.

Page 76 of the report

Memorandum

1) D 10897-918 / Co. 82-26-4 9 7 6/27

2) D 11283-92 / Govt 128-25-8 9 22 6/27

3) D 970-71 / Govt 34-33-19 9 13 8/35

Serial No.

Bank first have sometimes large sums of money to other societies also, particularly Town Boroiday societies without undergoing in the autonomous character of these institutions. The Bank has its own byelaws framed and revised by the general body from time to time and approved by the Registrar under Sec 9(1) and Sec 11(1) of the Regulation. The present recommendation of the Committee and the Registrar amounts to the revision of the Constitution of the Bank necessitating a change in the by-laws of the Bank which can be done only by the general body of the institution. In the absence of any provision either under the Regulation or the rules thereunder, it is for consideration whether the Govt. by its executive orders, can interfere in the administration of an institution autonomous in character, without their consent, or without their being even Consulted.

4) From the latest report of the Apex Bank (a copy of which together with a copy of byelaw is placed below) it is seen that there are 264 individual shareholders and 986 Society shareholders. It is not known how many of these Society members are urban and how many are rural. In the absence of

WD 0417—GPB—30,000—8-9-36

Revision of the Directorate of the Apex Bank

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deficits in normal times on the budget it does not seem desirable to fix the proportion of representation equally both to urban and rural societies.

5) It is therefore for consideration and orders whether the Registrar may not be requested ~~this~~ ~~him~~ to refer this proposal to the Apex Bank obtain their views thereon and resubmit the same with his opinion for the orders of Govt. Govt letter, however, is silent for orders

for Hon'ble
18/2/37

6) The affairs of the Apex Bank are by no means in a satisfactory State and a thorough overhauling is very necessary. The proposals of the Registrar ~~the~~ are identical with the recommendations of the Committee except in regard to one point. The Registrar considers that the appointment of the President should not be left to election. In my opinion the proposals are well considered and may perhaps be approved. An amendment of the Regulation seems to be necessary. Whether a rule under S 4(4)(g) will be sufficient is a point on which

4937/36
P

General and Revenue Secretariat | File No. | of 193 . | [App. F. III—2

Serial No.

The Law Section may be consulted. There seems to be no use in asking the Apex Bank to express an opinion on the proposal.

Sd/- Key 22.2.37

GENERAL SECRETARY. 22 FEB. 1937 (619)

7) Yes- Quo 23/2/37

8) In favour of remarks Mr Key Law Section Sd/ 22.2.37

194 Law 19/2 23.2.37

9) The suggestions of the Registrar may easily be adopted, if the Apex Bank is prepared to amend its bye-laws agreeably to those suggestions. But there is no knowing that the Bank will do so. The Government have no right to compel the Bank to pass a bye-law embodying the Registrar's suggestions. In these circumstances, I think the only way to carry out the desired object is to make use of the Rule making power vested under Section 44. That Section says that the Government may for the whole or any part of Mysore, and for any registered Society or class of registered Societies, make

NOTE—Contn. Sheet.

WD 0417—GPB—30,000—8-9-36

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D

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rules to carry out the purposes of the Regulation. clause (g) of Subsection 2 provides that the rules may provide for the appointment, suspension and removal of the members of the committee. It is thus open to Govt to frame rules in respect of even a single Society, and that too regarding the Constitution of the managing Committee. As the overhauling of the Apex Bank is considered absolutely necessary, I think suitable rules may be framed under Section 44 (2) (g),

yes
WD
22/3/37

10) The Registrar suggests that the President of the Bank should be nominated by Government. The withdrawal of the privilege of electing a President may be felt very keenly by the Institution. It is however open to Govt to confer such a privilege as anything, the affairs of the Institution are found being managed satisfactorily.

DKR
17.3.37

Under Secy
Dev. Dept
WC

W) Secy
19.3.37

GENERAL SECRETARIAT
19 MAR 1937
4937

12) The proposal of the Reg^r to overhaul the

Revision of the Directorate of the Apex Bank

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General and Revenue Secretariat 65 File No. 11 of 1936. [App. F. III—2

Serial No.

management of the Apex Bank, on the lines indicated in his letter, has much to recommend it. It also seems definitely desirable that for some time at least, the President of this instn ~~may be~~ is nominated by the Govt; as pointed out above, the right of electing its own President may be restored to the Bank at any time.

13) The Reg^r may be requested to send up suitable draft rules under Sec 44(2)(g) for the consideration of Govt.

Second m^r)

W.T. 22/3/37 by 22.3.37

14) Issue 24/3/37.

W.T. 25/3 by 25.3.37

15) Draft reply submitted for approval

to 27/3/37 Pom

16) Issued by 29.3.37

92 To The Registrar of C.S. D 6467 2-4-37

Requests to forward suitable draft rules under section 44, of C.S. regulation.

Acknowledged vide No D.O.D 67 dated 2/2/37

OFFICE OF THE SECOND MEMO COUNCIL 37 No. 6494

NOTE.—Month. Sheet.

WD 6417—GPB—30,000—8-9-36

3 - APR. 1937

3646
D

11 of 193 6 | General and Revenue Secretariat

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[illegible] a memorandum [illegible] to [illegible] then draft rules immediately as [illegible] receiver did not seem to know anything [illegible] the attendance meeting [illegible] not -

[illegible] 15/9/37

[illegible] for appl

19) Issued by 15.9.37

[illegible] No D 2326 dated 15/9/37

No 2333/ Cs. dated 16/9/37 [illegible] Registrar regarding [illegible] for the Constitution of Boards etc

3-45
15 SEP 1937
Legislative Department
16/9/37
16 SEP 1937

In the draft rules the President of the Boards [illegible] to be nominated by Govt also two other [illegible] (one an official & one non-official). Out of these elected by Govt. two shall be selected from the individual [illegible]. Out of the remaining elected at least [illegible] shall represent urban [illegible] and [illegible] rural

The Secretary shall be appointed by the [illegible] subject to the approval of Govt and shall not be [illegible] of the Boards. The appointment of the [illegible] on the staff [illegible] shall be subject to the approval of the Registrar

effect of the present proposal is that

Revision of the Constitution of the Apex Bank

3646 J/35

(9

General and Revenue Secretariat | File No. 11 of 1936. | [App. F. III—2

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Govt will nominate a President and two directors and also shall select two from the individual depositors of the Banks. As regards election, they shall be elected from the representatives of societies affiliated to the Banks. ~~Govt~~.

22) It is submitted that rule 6 is rather ambiguous. It leaves out the individual shareholder. An individual shareholder may not be depositor and a depositor may ~~not~~ be a shareholder. To avoid the doubt the words "shareholders and" may perhaps be inserted between the word "individual" and "depositors". The Committee of the Executive will then be President, 2 nominees, 2 persons selected by Govt from among shareholders and depositors, and the rest elected representatives.

23) It is submitted that the Committee suggestion of the nomination of only two directors leaving the rest to election. The Registrar suggested in 23) that the President may also be nominated by Govt. The present proposal is to nominate the President, and two directors and select two more from among individual shareholders & depositors bringing in all to five. Submitted for orders

Sd 20/9/37

24) The existing strength according to the bye laws is a President and not more than 13 of whom the Presidents & 12 members shall be elected by the general body and are to be co-opted by the Board. Submitted for orders.

Sd 29/9/37

NOTE—Contn. Sheet.

WD 0234—GPB—30,000—13-8-37

1843/37

Revision of the Constitution of the Pers. Bank

1551

File No. of 193 . | General and Revenue Secretariat

25) For favour of scrutiny
Mr Lee (Law) W C) 20.9.37

Need discussion with Law

26) The proposed rules are not quite in conformity with the composition of the Committee as proposed by Mr Lee in his letter of 9.1.37. There is a difference in some important particulars. While according to the original proposal the Pers. Bank nominates two of the members, and Govt three, the proposed rules seem to give the Bank the right of representation through nomination to the Directors. The rules are not also definite with regard to the mode of election or nomination, or the qualifications or terms of office of the members of the Committee.

It seems therefore necessary to decide in principle the composition of the Committee before finalising rules, regulations. It seems to me that the Govt's proposal of 9.1.37 is quite practicable viz., satisfying all parties concerned, and would also facilitate the framing of the

9/2

Law
BNR
20.9.37
PLS

Revision of the Directorate of the Apex Bank

3646

General and Revenue Secretariat | 6.S File No. | 11 of 1936. | [App. F. III—2

Serial No.	

management of the Apex Bank, on the lines indicated in this letter, has much to recommend it. It also seems definitely desirable that for some time at least, the President of this instn is ~~may~~ nominated by the Govt; as pointed out above, the right of electing its own President may be restored to the Bank at any time.

13) The Regr may be requested to send us suitable draft rules under Sec 44(2)(g) for the consideration of Govt.

Second m") UO 22/3/37 by 22.3.37

14) Agree 26/3/37

UO 25/3 by 25.3.37

15) Draft reply Rebo for appr

16) Issue by 29.3.37

OFFICE OF THE SECOND MEMBER OF COUNCIL 37 No. 6494

30 MAR 1937

26/3/37 Rom

27/3/37

92. To: The Registrar of C.S. D 6467. 2-4-37

Requests to forward suitable draft rules under section 44, of C.S. regulation.

Reminder issued No D.O.D 67 dated 24/2/37

NOTE: Continuation Sheet.

WD 0417—GPB—80,000—8-9-36

3 - APR. 1937

3646
D

6/ File No. 11 of 193 6 | General and Revenue Secretariat

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17) Please arrange a meeting with Regr Cs, to
and myself to-day at 11 immediately as
the new Registrar did not seem to know anything
about this when he attended meeting this
morning -

Sm
15/9/37

18) Draft memo for Labs for appl

Ha
15/9/(37)
Done

19) Issued by
15.9.37

Issued No D 2326 dated 15/9/37

Letter No 2338/Cs. dated 16/9/37 from the Registrar
Cs. forwarding proposals for the Constitution of
the Appeal Boards etc

3-45
15 SEP 1937
Ly Asst
16/9/(37)
16 SEP 1937

20) In the draft rules the President of the Boards
is proposed to be nominated by Govt also two other
directors (one an official & one non-official). Out of these
to be elected two shall be selected from the individual
depositors. Out of the remaining electors at least
three shall represent urban societies and three rural
societies. The Secretary shall be appointed by the
Board subject to the approval of Govt and shall not be
a member of the Board. The appointment of the
Auditor on the staff shall be subject to the approval of the Registrar

21) The effect of the present proposal is that

Revision of the Constitution of the Reserve Bank

153
D

General and Revenue Secretariat | File No. | of 193 | [App. F. III—2

Serial No.

Mode of representatives of various classes within. (The number may perhaps be given : 2, 2 : 1 for securing the representatives of urban societies, viz. : — societies and preference share holders respectively).

15/X
30.9.37

Under Secy -
for
W. C.

) For perusal. So far as I know depositors in a bank are nowhere given any representation on the Directorate. It seems unfair to deny representation to individual share holders. The latter are enjoying this privilege now

Secy A. S. G.) 30.9.37

2) My remarks on the proposed drafts are noted in pencil on the margin of the drafts.

3) I suggest that the recommendations of Mr. Mehta may be approved in toto. I agree with the opinion given by Secy, Law in para 2) above -

OFFICE OF THE SECOND MEMBER OF COUNCIL.
2 OCT 1937
NO 2627

1-10-37

II member)

2/10/37

NOTE—Contn. Sheet.

WD 0417--GPB—30,000—8-9-36

J.E. 30

of 193 6. | General and Revenue Secretariat

Serial No. | H.F. 8650

4) It is understood that the Bank has since amended its by-laws and provided for some of the changes desired.
Copy of these by-laws may be obtained & put up
RLG
5/10/37

3) Please send a copy of the revised by-laws
Sim
6.10.37
by
6.10.37

3) Draft Letter for above
6/10/37

3) Issue
by
6.10.37.

7 OCT 1937 GEN. & REV. SECTT.

Letter No D 2850 dated 8/10/37 to the Secy
Calling for a copy of the latest by-laws

Letter No 2885 dated 11-10-37 from the Secy
forwarding a copy of the updated by-laws of the

Sec A
by
9/10

Bank

Recently the revised by-laws the Board of Management
is to consist of the President & 14 directors of whom
the President & 12 directors are to be elected by the General
body. One co-opted by the Board and one nominated by Govt

Jay T.

Revision of the Directorate of the Mines Board

1551 to 2100

General and Revenue Secretariat — File No. 11 of 1936 — [App. F. III—2

Serial No.

OFFICE OF THE SECRETARIAT OF COUNCIL. 20 OCT 1937 NO 3078

SECY LOCAL SELF GOVT. 20. OCT. 1937 GOVT OF MYSORE.

The nominee of Govt need not necessarily be a member of the Board. The Secretary to the Board shall be a salaried officer appointed by the Board. Out of the 12 directors elected at least six shall be representatives of affiliated societies.

Submitted with reference to Para 31 above

Sd 19/10/37

36) Secy & S.G. 18.10.37

2020 37

37) (11 members) 21.10.37

38) Do these amendments cover all the points?

25/10/37

39) [illegible]

25.10.37

40) A statement explaining the position already to the bye-laws of the Bank and the draft rules is also submitted for perusal. Proportion of representation of rural and urban applicant societies, retirement of directors by rotation, maintaining the proportion of representatives of rural and urban societies in filling up casual vacancies and whether the Secretary may be a member of the Board or not have not been provided for in the bye-laws. Submitted

Sd 29/10/37

41) A Comparative statement is put up showing the differences

Secy & S.G. 3.11.37

NOTE—Contn. Sheet.

WD 0234—GPB—30,000—13-3-37

Revision of the Constitution of the Bank Bank

915

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OFFICE OF THE
SECOND MEMBER OF GOVT
21 .193
No 3407

(2) The amendments moving do not cover all the points, but an investigation into the recommendations made by the Commission and the Reserve Bank. A comparative statement is forwarded up

GV
3/11/37

11 members)

(3) The Reserve may consult the Accountant of the Apex Bank with regard to the proposed rules, if he has not already done so.

MM
5/11/37

(4) Pleas forwarded for necessary

GV
6.11.37

(5) Draft letter to the Registrar is submitted for approval

6/11/37

(6) Secy A.V.G

8.11.37

(7) MM
9/11/37

Secy A.V.G

9.11.37

2 105/3053

General and Revenue Secretariat | C.S. File No. 11 of 1936. | [App. F. III—2

Serial No. 202

To the Registrar of C.S. D3559. 12-11-37

Requests him to consult the President of the Apex Bank with regard to the Proposed rules & to communicate the results

C.S. A
GEN. & REVENUE SECRETARIAT
12/11/37
13 NOV. 1937
SECRET BRANCH

Letter No 4466 dated the 6th Dec 1937 from the Registrar C.S. forwarding the opinion of the President of the Apex Bank with his own remarks thereon.

49) The President of the Apex Bank suggests the ~~Composition~~ of the Directors of the Apex Bank as follows:

1) President to be nominated by Govt
2) Two Directors — do —
3) 6 to ~~represent~~ represent urban societies
4) 3 " rural "
5) 3 individual shareholders.
15

50) But the Registrar says that the Committee ~~suggestions~~ as follows

1) President to be nominated by Govt
2) Two other directors — do — (one official & one non official)
3) " Directors — do — from among depositors
4) 5 " to ~~represent~~ represent rural societies
5) 3 " to represent urban societies
6) 3 " to represent individual shareholders
15

51) The President of the Apex Bank is

NOTE—Contn. Sheet.

WD 0234—GPB—30,000—13-8-37

opposed to the representation of the depositors on the Directorate as being not in vogue either in Coop. movement or in J.S. Companies etc. But the Act also lays special stress that the depositors who have invested to the extent of over Rs 30 lakhs should have a representation in the Directorate and brings in the analogy of the Insurance Companies which have provision for the representation of policy holders.

5) It is submitted that the question of representation of depositors on the Directorate is a new thing unheard of either in the sphere of Cooperation or of Joint Stock Companies or anywhere. The Companies whereby are formed on Joint Corporate basis to be beneficial to the members of the Corporation only and the attraction of deposits and investment is only a business conducted by that Corporation and it seems quite unsound in principle to allow representation to a part of the business interests carried on by the Corporation The case of insurance Companies seems to stand on altogether a different footing and cannot perhaps be compared with this business carried on either by Cooperative Societies or by Joint Stock Companies.

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Apart from the facts stated above, it is also stated that the representation of depositors on the Directorate would lead to complications. If the depositors (the Apex Bank are allowed representation, the depositors of other Banks will follow suit. Just as the Apex Bank there are several other premier Cooperative institutions which have very large deposits and almost every Cooperative Society has deposits much more than the share capital. The introduction of the principle of representation of the depositors on the Directorate would be unsound in principle and would lead to very great Complications. The Registrar however feels that the Apex Bank having large deposits may lose them if no representation is to be given to depositors. So long as the investing public lack confidence in the management of the Bank deposits will be comparatively and it is only when the Bank's internal affairs are considered common that people begin to interview their deposits irrespective of the fact whether they are representated or not. When the principle underlying the constitution of the Directorate of the Apex Bank

NOTE—Contn. Sheet.

WD 0284—GPB—30,000—13-9-37

is such - even in the interest - as to deny
free representation even to the individual
shareholders - (members of the Bank) and make
the Bank to be a federation of Societies
only. It is not known how the Registrar could
argue on behalf of the depositors who are after
all outsiders and who have invested their
moneys with ~~the~~ confidence in the Bank
and the contention of the Registrar on behalf of
the depositors seems untenable on all possible
grounds. There does not seem to be any fear
for the Apex Bank of losing its deposits as ~~guaranteed~~
by the Registrar. But on the other hand there is
every possibility of the Bank getting more deposits
when markets with the moral and material
support the Bank will have by fair and just
a voice of say in the management of the Bank.

From the report of the working of the Apex
Bank for 1935-36 it is seen that, inspite of the
reduction in the rate of interest on deposits both
current and fixed - the Bank has received during
the year an increase of Rs 15.29 lakhs as current
deposits and Rs 6.28 lakhs as fixed deposits.
There does not, therefore, seem to be any cause
for the fear expressed by the Registrar and any

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necessity for the introduction of the principle which is after all not found both on the other hand is very complicated

56) As regards the representation of other interests it is seen from the letter of the President that on 30/6/37 the Bank had 985 societies and 246 individual members. The President recommended 3 directors may represent the individual share holders, 3 of rural societies and 6 of urban societies The Registrar has the proportion at 2, 3 and 5 respectively. It is not known, how many, out of the 985 societies, are rural and how many are urban. In the absence of any definite information the suggestion of the Registrar to allot 5 seats for rural societies 3 seats for urban societies may perhaps be accepted The allotment of two seats to the individual shares as suggested by the Registrar may perhaps be accepted as the proportion of Society members to individual members is at present 4 to 1. Thus while the Societies members are allotted 8 seats individual members are allotted 2 seats.

57) On the question of nominations by the

NOTE—Contn. Sheet.

WD 0284—GPB—30,000—13-5-37

it is understood that both the President of the Apex Bank and the Registrar suggest the nomination of 2 members by Govt. The Registrar suggests that one of them may be either the Comptroller, or the Dr of Ste or Dr agriculture and the other a non official gentleman. The total element of the Directors would thus come to 13 including the President If it is considered that 13 is not a proper number it is for consideration whether 3 members may not be nominated by Govt. instead of 2. as suggested

5&) The Apex Bank which is the federation of the agricultural and non-agricultural banks and has perhaps to finance the development of non-agricultural credit in pursuance of the schemes of starting central Weavers' societies central Artisan society etc materialise and it seems desirable to have either the Dr of agriculture or the Dr Ste in terms of the Directorate to look after the interests of agriculture and non agricultural credit of the movement In view of the fact that Govt have come forward to provide a large interest in the affairs of the bank and intend to make nominations to the Directorate including the President it seems desirable to have the Comptroller to Govt

Revision of the Constitution of the Apex Bank

2100/3053

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as an ex-officio Director to safeguard the interests of Govt. and public funds of the Bank. In this view it is for consideration whether the nominee by Govt be the Comptroller and the Director or Director and a non-official gentleman.

59) The Board according to the suggestion made above will consist of

1) 1 President nominated by Govt
2) 3 nominees of Govt
3) 5 representatives of rural societies
4) 3 representatives of urban societies
5) 2 representatives of individual members

14 members.

Submitted for orders

To M 8/1/43

60) The principle of providing for representation of depositors on the Directorate is novel and lacks in no leading institution, Eg. the Reserve Bank. It does not follow that if they are not represented the deposits would go down. It has not gone down so far and apprehension that there will seem to be unfounded. The depositors can never be on a par with the shareholders who have a vital interest

NOTE—Contn. Sheet.

WD 9284—GPB—30,000—13-8-37

3055

Revision of the Constitution of the Apex Bank

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constitution. The Legis proposal does not seem to be sound, on the matter.

61) The number may be fixed at 14, which seems to be neither unwieldy nor too small. All interests are represented. The question as to who should be the nominees of Govt. for the three official seats, may perhaps be decided last as: the Comptr., Dir. of Ind., and Dir. of Agr.

Secy (Co-op.) 18/12

62) The Committee on Co-operation, the former Registrar, Mr.Mehkri, and the present President of the Apex Bank, are all in favour of there being 15 members on the Managing Committee of the Bank. The Committee recommended that the President should also be elected, but the concensus of opinion latterly is in favour of the President being nominated by Government. It is also agreed that 2 others in addition should be nominated by Government, one of them preferably being the Comptroller. The present Registrar thinks that the other person to be nominated may be a non-official gentleman; but I do not think that Government need bind themselves by putting this in the

Serial No.

proposed rule. They may nominate either an official or non-official as they deem expedient.

63) This leaves 12 members to be elected. It is only the present Registrar that recommends that even out of this ~~12~~ twelve, 2 may be nominated by Government to represent the depositors.' The Committee has not recommended the representation of the depositors on the directorate. The former Registrar, or the present President, has not mentioned it, and the notes above, both of the Co-operative Branch and the Law Section, go to show that this is an un-heard of and unprecendented representation. No other Society or Bank- though it may have any number of depositors who had deposited large sums of money- has thought of giving representation to them. The analogy of Insurance Companies on which they are the representatives of policy holders may not apply to the case of the Apex Bank.

64) Granting therefore that the remaining 12 have got to be elected, the question arises as to how many should represent individual share-holders, and how many co-operative Societies that are affiliated to the Bank. The present President has recommended that there may be 3 representatives of individual shareholders, 3 of rural societies and 6 of urban societies. The present Registrar, because of his recommendation to give representation to

NOTE—Contn. Sheet.

WD 0284—GPB—30,000—13-8-37

depositors, has reduced the representatives of individual members to 2, and has reversed the representation of rural and urban societies. I suggest that as recommended by the president President, 3 may represent individuals. Of the remaining 9, representatives may be distributed among rural and urban societies according to the number of such societies and their share capital taken together. This information is not available in the file and has been called for. The exact number will be fixed after the receipt of information.

65) The constitution proposed will thus be:

1 President to be nominated by the Government.

2 Members to be nominated by Government.

3 elected members to represent individual shareholders

9 elected members to represent rural and urban societies (~~number~~ proportion to be fixed later)

Total 15.

66) The draft rules now recommended by the Registrar may be approved with the modifications proposed in para 4 of his letter subject

3.1.38

(1 member)

67) To be discussed with the Registrar & Secretary of Apex Bank

4/1/38

68) Please put up on the day of meeting.

3.1.38

OFFICE OF SECOND MEMBER OF COUNCIL, - 6 JAN. 1939 No. 4819

Revision in the Constitution of the Apex Bank

General and Revenue Secretariat	C.S. File No. 11	of 1936.	[App. F. III—2

Serial No.

SECOND MEMBER OF COUNCIL.
25 JAN. 1938
No. ..... 5.3.85.....

69) The rules have been modified suitably according to the instructions given by the Member according to the instructions given by the Committee, except in regard to electing the President.

24.1.38

(II Member)

25.1.38

70) The present bye law regarding the election and term of the President may be extracted below. In a recent communication, the Reserve Bank of India has consulted us on the subject of constitution of Apex Banks. Press Cutting may be put up

71) Please see Madras papers of 23.11.37.

26/1/38

26.1.38

26/1/38

72) The Copy of the 'Hindu' containing the orgl. report of the Reserve Bank of India is obtained from the Library and has been sent to Board. The present bye-law is also noted below:-

"The management of the Bank shall vest in a Board of Directors Consisting of a President and not more than 14 members of whom the President

NOTE—Contn. Sheet.

WD 0284—GPB—30,000—13-9-37

Revision of the Constitution of the Agric Boards

T 3053

bf File No. 11 of 193 6 | General and Revenue Secretariat

and 12 member shall be elected by the general body and one member may be coopted by the Board"

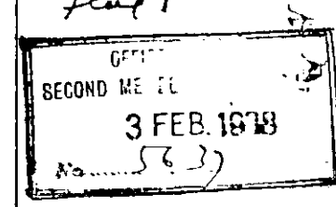
According to this bye-laws the President is elected annually along with other directors. Submitted with refer to Para 7a above

Sd/- 2/4/38

KG 2-2-38.

7 3) (Secy. to G.G.)

Flag T



Fm 3.2.38

7 4) (11 members)

KG 8/2

7 5) The election of the President may be made subject to the approval of Govt. The possibility of Govt having to nominate a President for a longer period than one year may be resorted in a Resolution over briefly explaining the reasons for the proposed change. Such a provision but need not be embodied in the Rules just now. It would look too much like Mandatory the movement unnecessarily

RLW 4/2/38

7 6) Rule 2 has been altered as per instructions also. Please put up Rule embodying in it the reasons mentioned in para 5 as suggested by the Committee's Report for changing the constituency of the Board.

Fm 7.2.38

KG 7.2.38

Revision of the Constitution of the Apex Bank

2:04 / 3053

General and Revenue Secretariat — File No. 11 of 1936 — [App. F. III—2

Serial No.

77) Draft G.O is laid for Consideration. The file relating to the orders on the recommendations contained in Chapter IV of the Report is linked herewith. In view of the orders in Para 75 above re the President it is for consideration whether the para relating to the President in Page 6 of the draft ~~order~~ in the linked file (Flag L) requires some change.

9/2/38

78) The draft G.O. that has been approved as the linked file needs slight alteration to bring it to conformity with the, as indicated in pencil.

(Flag L.S.G.)

10/2

79) I am inclined to think the draft order in the linked file need not be modified. It merely indicates the suggestion made and does not prescribe necessary from the decision that is contained in the order under consideration now.

10/2/38

80) The Secy L.S.G may please speak to me.

14/2/38

81) Please see the draft G.O. in the linked file approved by Dewan & resubmit in file.

22/2/38

82) Issue

SECOND MEMBER SECL. 11 FEB. 1938 No. 5884

SECY LOCAL SELF GOVT 12 FEB 1938 GOVT OF MYSORE

LF G3643/36

Dro 3643 Chapter IV → Distributed 22/2/38

NOTE—Comn. Sheet.

WD 6284—GPB—30,000—18-9-37

5143/37
Revision of the Constitution of the Appellate Boards.

File No. 11 of 1936	General and Revenue Secretariat

83) A copy of the G.O issued is placed below and the file is resubd as directed

Flag E

HSM 23/4/38

KS 23/4

84) Secy (G.S.)

85) As instructed by the Member the G.O on chapter IV of the report of the Committee on Co-operation has been issued and the Office under consideration framing rules from Constitution of the Appellate Board, has been consequently abbreviated by referring to the G.O on chapter IV.

DO
24.2.38

II member

KS 24/2

86) Secy
25/2/38

(The amendment may be put in the

87) form of a notification making Rules etc)

DO
25-2-38

KS 25/2

88) A draft notification is laid as directed The draft G.O and notification with, if approved may now

HSM 3/3/38

89) for favour of Scrutiny.

KS 4/3.

267
Law

90) Asst. Secy. (Law)

HSM

BKR
4.3

SECOND [illegible]
24 FEB 1938
No. 6264.

Rule 32

2100 √ 3053

5143 p 37 89

General and Revenue Secretariat

C/ File No. 11 of 1936. [App. F. III—2

Serial No.

91) The draft notification seems to be all right.

BMR
15.3.38

Asst. Secy
Deputy
WC

92) Issue G.O. & notify.

WC
16/3

No. D 6738-39 dt 21.3.1938. The Registrar C.S. Complies to Govt.

Pass order in the matter of the revision of the Constitution of the Impose Provincial Co-oper. Apex Bank.

No. D 6471 dt 21.3.1938 The Compltr to Govt. Notifies the draft rules re the Constitution of the Impose Provincial Co-op Apex Bank Ltd.

Sys B ill the cert May 38

Letter No 9535 dated the 16th May 1938 from the Registrar of Cooperative Societies forwarding a copy of letter from the Secretary of the Apex Bank with rules and recommending that the rules as revised by him may be adopted.

93) The draft rules published were approved

NOTE—Contn. Sheet.

WD 0284—GPB—30,000—13-8-37

Rules re the Constitution of the Urban Bank

30535 6495

6 File No.	11	of 193 6	General and Revenue Secretariat

with those proposed by the Registrar. The alterations and additions suggested are done with a view to make the rules clear. In rule 8 it is proposed to fill up the casual vacancy of the President by the Board. The President is elected by the general body and the election is subject to appt by Govt. Whether the casual vacancy of the President is filled up by election among the members of the Board or outside it has perhaps to be made clear. As the President is not one among the 11 elected, but elected separately by the general body. Subs to orders

Govt Of
24/5/28 94) The rules as recast by the Registrar of the Urban Bank may be adopted, as they clarify certain points. The proposed filling up of a casual vacancy of the Presidents' office, by Election of a person from among the Board is for consideration.

95) The Urban Bank carries more risks for Urban Societies than for Rural ones. The present proportion would ultimately seem to be unfavourable to rural societies viewed from the Financial point

Revision of the constitution of the Apex Bank

31

General and Revenue Secretariat | CS. File No. 11 of 1936.. | [App. F. III—2

Serial No.

OFFICE
SECOND MEMBER'S OFFICIAL
25 MAY 1938
No. 905

The figures given by the Registrar; the rural societies have more to do with the Bank than the Urban societies. The present proposals may stand.

96) The definitions of Rural and Urban Societies, suggested by the Registrar may be accepted in preference to that of the Bank.

IGS
28/5

(Secy to G.)

97) The rules as proposed by the Registrar (P.W.D.) may be finally approved. clause 9 of the draft rules is omitted, as it is not likely that proposals which eliminated Apex Bank for some time. Casual vacancies may be filled up by the Directors, subject to approval of Govt. The proportion of rural and urban representatives is kept as before.

PO
25/5/38

(I Member)

IGS
25/5

98) Noted
26/5/38
PO
26/5

IGS
27/5

NOTE—Contn. Sheet.

WD 0284—GPB—30,000—13-3-37

6495 — Constitution of the Court in matter of the Apex

File No. 11 of 1936 — General and Revenue Secretariat

Rule 32

Draft notification is Labs for appl

27/5/38

Secy (L&G)

2875

Issue

No D 9155 dy 4.6.1938 To the Comptroller & S. 265.

Issues certain rule in the matter of the Constitution of the Mysore Provincial Co-oper. Apex Bank Ltd. Bangalore

TYPING SECTION 28 MAY 1938 GEN. & REV. SECTT.

GEN & REVENUE SECTT 2 JUL 1938 DEVELOPMENT BRANCH.

17/7/38

No. 5643 C.S.

GOVERNMENT OF MYSORE.

(1)

DEPARTMENT OF CO-OPERATION.

OFFICE OF THE REGISTRAR OF CO-OPERATIVE SOCIETIES IN MYSORE.

Telegraphic Address: "CO-OPERT" BANGALORE

Dated, Bangalore, 9th January 1937.

SECRETARIAT 11 JAN. 1937 DEVELOPMENT BRANCH

From

GULAM MOHIYUDDIN MEHKRI, ESQ., B.A., LL.B.,
Registrar of Co-operative Societies in Mysore,
BANGALORE.

3646

C.S. 11-36-40

To

GENERAL SECRETARY 11 JAN. 1937

M. Venkatesa Iyengar, Esq., M.A.,
General Secretary to the Government
of Mysore, B a n g a l o r e.

Sir,

I have the honour to invite reference to page 76 of the Report of the Committee on Co-operation regarding the revision of the Directorate of the Apex Bank and to state that to make the Apex Bank approach more closely a true federation of Co-operative Societies and to compel all of them to affiliate to the Bank, it is but just that the societies should have a proper representation on the Board of its management and that the proportion of representation recommended by the Committee for rural societies, urban societies and preferential share-holders seems to be fair. Further it is necessary that this constitution should be well defined either in the Regulation itself as suggested by the Committee or under a Rule under Section 44(g). I therefore recommend that Government may be pleased to fix the number of members on the Board of Management of the Apex Bank at 15, as follows:-

1. One President.
2. Five representatives of Urban Societies.
3. Five representatives of Rural Societies.
4. Two representatives of Preferential Share-holders.
5. Two to be nominated by Government.

At present the President is being elected at the General Meeting. As the Apex Bank is the key stone of the whole co-operative structure and as Government is vitally interested in its stability, the latter should have some effective control in its management. The President as head of the Institution will have a very important voice in the management and his appointment should not, in my opinion, be left to election. I therefore strongly feel that the President of the Apex Bank should be nominated by Government as in the case of the Land Mortgage Bank.

Of the other two places reserved for nomination by Government, one may be filled up by the Government Comptroller and the other by a Non-Official

P.T.O.

Non-Official with knowledge ~~of~~ and experience ~~and~~ of banking if available. Such a constitution as recommended above would give the Directorate of the Bank dignity and strength which as a premier institution of the Movement and the connecting link between the Co-operative Societies and the outside money market it needs and deserves.

The suggestion of the Committee regarding the automatic retirement every year of a third of the Directors by rotation may be adopted this rotation being applied only to the elected members on the Board.

I have the honour to be,
Sir,
Your most obedient servant,

W. S. [illegible]
Registrar. 3/1/37

L.S.8/1.

G. R. S. App. F. G. 3.

GENERAL AND REVENUE SECRETARIAT.

(Continuation sheet draft form.)

D 6467 / C.S 11-38-92

2-4-37
(Sd) K. Subba Rao

The Registrar Co.

Sir

With reference to your letter No 5643/Co. dated 9th January 1937 re the revision of the Constitution of the Directorate of the Apex Bank, ~~announced by the Committee on Cooperation~~.

I am directed to request you to kindly forward suitable draft rules under Section 44(2)(g) of the Cooperative Societies Regulation. ~~in the matter~~ for the consideration of Govt.

I have etc

by
29-3-37
for Secretary

WD 02608—GPB—15,000—8-7-35

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE

General and Revenue Secretariat 4

Dated, Bangalore, 31st March 1937.
2nd April.

No. D 6467/C.S. 11-36 92

From

The *General Secretary to the Government of His Highness the Maharaja of Mysore.*

To

The Registrar
of Co-operative Societies in Mysore,
Bangalore.

Sir,

With reference to your letter No.5643/C.S. dated 9th January 1937 regarding the revision of the constitution of the Directorate of the Apex Bank, I am directed to request you to kindly forward suitable draft rules under Section 44 (2) (g) of the Co-operative Societies Regulation for the consideration of Government.

I have the honor to be,

Sir,

Your most obedient servant,

For General Secretary to
Government.

c.n.2

Immediate CS 11-36-164

No. 2333/..... C. S.

GOVERNMENT OF MYSORE.

17 SEP. 1937

DEPARTMENT OF CO-OPERATION.

OFFICE OF THE REGISTRAR OF CO-OPERATIVE SOCIETIES IN MYSORE.

Telegraphic Address: "CO-OPERT" Bangalore

Dated Bangalore, 16th Septr. *1937.*

FROM

M. ABDUL HUKH, ESQ., B.A.,
Registrar of Co-operative Societies in Mysore,
BANGALORE.

To

P. H. Krishna Rao, Esq., M.A.,
Secretary to Government,
Local Self Government Department,
Bangalore.

Sir,

With reference to your letter No: D.6467/C.S.11-36-92 dated 2nd April 1937 calling for draft rules under Section 44(2) G of the Mysore Co-operative Societies' Regulation in connection with the constitution of the Apex Bank, Ltd., and in continuation of my letter No: 215 dated 12th July 1937 on the subject, I have the honour to forward herewith a set of draft rules for the consideration of Government.

2. As the Registrar of Co-operative Societies is responsible for the audit under Section 17 of the Mysore Co-operative Societies' Regulation, I have incorporated in the Rule that the appointment of the Auditor on the staff of the Bank shall be subject to my approval.

I have the honour to be,
Sir,
Your most obedient servant,

Registrar.

Draft Rules.

Rule.32. (1) The management of the Mysore Provincial Co-operative Bank Ltd., (known as "the Apex Bank") shall vest in a Board of Directors consisting of a President and not less than twelve and not more than fourteen persons as may be fixed by Government.

(2) The President of the Board shall be nominated by Government and shall ordinarily hold office for a period of three years [in the 1st instance which may be extended from time to time if deemed necessary.]

(3) Two directors shall be nominated by Government, one of whom shall be either the Director of Industries and Commerce or the Director of Agriculture or the Comptroller to Government and the other a non-official gentleman.

(4) Of the remaining members of the Board two shall be selected by Government from among the individual depositors of the Bank. A person selected as a director under this rule shall cease to function as such if at any time he ceases to be a depositor.

(5) The remaining members of the Board shall be elected at the annual general meeting of the Bank from among the representatives of societies affiliated to the Bank.

(6) Out of the directors elected under Sub Rule(5) at least three shall be representatives of Urban societies and three of rural societies.

(7) The President and the members of the Board nominated [or selected] by Government under sub rules 2, 3 [and 4] above need not necessarily be shareholders of the Bank.

(8) Of the [elected] Directors, [not] less than three, when

strength of the Board is thirteen and not less than four when it is fifteen, shall retire by rotation and they shall not be eligible for re-election till the next annual general meeting of the Bank.

(9) Any vacancy occuring in the Board in respect of the elected members shall be filled up by the remaining members of the Board in such a way that the strength of the Urban and Rural representatives is in conformity with that specified in sub rule 6

(10) The Chief Executive Officer of the Bank shall be the Secretary. He shall be a wholetime salaried officer who shall be appointed by the Board subject to the approval of Government. He shall not be a member of the Board.

(11) The Bank shall have a qualified Auditor on its staff for purposes of internal continuous audit and his appointment shall be subject to the approval of the Registrar.

16-9-1937.

Registrar of C.S.

K.S.

Appendix F G—1]

SUBJECT .....

.....

.....

Section C.S.

File No. 11-36

Serial No. 182

Urgent

No. D. 2850.

Diary No. of letter replied to.....

To

The Registrar C.S.

Sir

General and Revenue Secretariat

( )

the *193* .

I write refer to the Correspondence ending with your letter No 2333/C.S. dated 16-9-37, forwarding copy of rules for the regulation of the Dividends of the Mysore Bank. I am directed to ~~state that it is~~ understand that the Bank has recently amended its bye-laws and intends for some of the changes recommended by you and to obtain approval. I am therefore to request you to kindly forward a copy of these bye-laws at an early date.

I have etc.

by

6.10.37

Secy. C.S.

Date of issue..... 8-10-37

Signed by ..... M.K. Subba Rao

request that a latest Copy of the Bye-laws of the Bank may be sent for perusal by next mail it is

(List of enclosures) ~~Nil~~

Copied by .....

Examined by.....

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE

General and Revenue Secretariat

URGENT.

No. D 2850/C.S. 11-36-182.

Dated, Bangalore, 7th October 1937.

From

The *Secretary to the Government of His Highness the Maharaja of Mysore,*
L.S.G. ~~Development~~ *Department.*

To

The Registrar of Cooperative Societies in Mysore,
Bangalore.

Sir,

With reference to the correspondence ending with your letter No.2333/C.S.dated 16th September 1937, forwarding draft rules for the revision of the Directorate of the Apex Bank, I am directed to request that a copy of the latest Bye-laws of the Bank may be sent for perusal by Government since it is understood that the Bank has recently amended its bye-laws and provided for some of the changes recommended by you.

I have the honour to be,
Sir,
Your most obedient servant,

For Secretary to Government,
L.S.G.Department.

mk.

C.S 11-36-191

10

160

No. 2.8.85 C. S.

One-Two

Telegraphic Address:
"CO-OPERT
Bangalore

GOVERNMENT OF MYSORE.

DEPARTMENT OF CO-OPERATION.

OFFICE OF THE REGISTRAR OF CO-OPERATIVE SOCIETIES IN MYSORE.

Dated Bangalore, 9th October *193* 7.

2100

FROM

M. ABDUL HUKH, Esq., B.A.,
Registrar of Co-operative Societies in Mysore,
BANGALORE.

SECY. LOCAL SELF GOVT. GOVT. OF MYSORE. 12 OCT 1937

To

P.H.Krishna Rao, Esq., M.A.,
Secretary to Government, L.S.G. Department,
Bangalore.

Sir,

With reference to your letter No.D.2850/C.S.11-36-182 dated 8th October 1937 I have the honour to submit herewith a copy of ~~the~~ up-to-date byelaws of the Mysore Provincial Co-operative Apex Bank.

I have the honour to be,
Sir,
Your most obedient servant,

Abdul Hukh

Registrar

THE MYSORE PROVINCIAL CO-OPERATIVE BANK LTD.

Bye-laws as they stand after the amendments passed at the General Meeting of the Bank held on 26-9-1937.

Bye-law No.36. (a) "The Management of the Bank shall vest in a Board of Directors consisting of a President and not more than 14 members of whom the President and 12 members shall be elected by the General Body and one member may be Co-opted by the Board. Of the 12 elected members, six members at least shall be elected from amongst the representatives of affiliated societies. The Government of Mysore may nominate any person whether member or not, to be an additional member of the Board.

(b) No member may be a candidate for directorship,

i. Unless he has signified his willingness to stand as a candidate in writing to the Bank at least three days before the date fixed for the Annual General meeting or,

ii. Unless he has been nominated in writing for this purpose by two members entitled to vote at the election of Directors and the nomination paper is accompanied by a declaration that the nominee is willing to serve as a director, if elected, has been delivered to the Bank at least three days before the date fixed for the Annual General Meeting.

(c) The Board of Directors shall prepare and publish on the notice board of the Bank at least one day before the date of the general meeting a list of the candidates for Directorship in the alphabetical order satisfying themselves as to the eligibility of each candidate to stand for election and as to the validity of the nomination in the case of candidates nominated under bye-law 36(b)(ii).

A Candidate may withdraw his candidature by intimation in writing signed by him and delivered to the President of the Bank at any time before the Polling and Telling

OFFICE OF THE REGISTRAR OF CO-OPERATIVE SOCIETIES MYSORE GOVT

Officers are appointed. The name of any candidate who may have withdrawn his candidature shall be scored out in the voting paper by the Polling and Telling Officers.

Bye-law 36. (d) When the number of candidates registered does not exceed the number of vacancies, the registered candidate or candidates shall be declared elected without any votes being taken. If more candidates than there are vacancies have been duly registered, the General Body shall appoint two or more Polling and Telling Officers from among the members present at the meeting who are not candidates for the election and arrange for the taking of votes and the declaration of the results of election"

Bye-law 36. (e) No delegate of an affiliated society which is in default to the Bank in respect of the interest due by it to the Bank for a period exceeding one year from the due date shall be qualified to be the President, a member of the Board of Directors or a Controller of the Bank or to vote at the election of the President, members of the Board of Directors, Controllers or Auditors or any General meeting of the Bank."

Bye-law No.39 (a) The Board of Directors may, whenever necessary, appoint from amongst themselves an Honorary Vice-President and an Honorary Treasurer who shall remain in Office till the next Annual General Meeting or for such shorter periods as may be determined by the Board and may delegate to them such powers and duties as they may deem fit".

14

Bye-law No.39 (b) "The Board of Directors shall appoint a salaried officer as Secretary of the Bank who, subject to the control of the Board of Directors, shall be responsible for the executive administration of the Bank and shall have such powers and perform such duties as the Board may deem fit to assign to him. He shall represent the Bank in all legal proceedings".

Bye-law No.41. (a) Any casual vacancy occuring in the Office of the President or other elected or co-opted Directors by death, resignation or any other cause shall be filled up for the unexpired term of his office by the remaining members of the Board.

(b) Any member of the Board of Directors who fails to attend three consecutive meetings of the Board shall be deemed to have ipso facto vacated his office.

(c) A vacancy occuring by the resignation of the President or the Director shall take effect from the date on which the Bank receives the resignation in its office.

(d) Any representative of an affiliated society duly elected as President or Member of the Board of Directors or Controller, shall cease to be such if he continues to be in default to the society of which he is the delegate, for a period exceeding three months or if he ceases to be a member of such society"

Bye-law No.46.

~~The decision of the Board on any matter of urgency may be obtained by circulating the connected papers among the Members of the Board provided that all the Members of the Board shall be given a reasonable opportunity of expressing their opinion and the decision of the Board in such cases shall be in accordance with the views of an absolute majority of the total number of the Members of the Board.~~

The duties of the Board of Directors shall include the following:—

Bye-law No.47.

(1) To deal with applications for membership and allot shares.

(2) To raise funds subject to the bye-laws

(3) To deal with applications for loans.

(4) To appoint, ~~[illegible] Secretary, other~~ salaried and non-salaried officers and employees as the work and interest of the Bank require and finances permit and to delegate to the Secretary ~~and other officers for the time being~~ of the Bank such duties or powers as the Board may deem fit and proper.

(5) To prepare statements of accounts, which shall include an abstract of receipt and expenditure classified under the different heads, and a balance sheet showing the assets and liabilities and a profit and loss statement.

(6) To deal with all classes of arrears and failure to observe obligations undertaken.

(7) To make arrangements for the efficient inspection and audit of the accounts of affiliated Societies.

(8) To transact all other business incidental to the management of the Bank.

Byelaw 49
Bye-law No.50.

49(i) Appointment of committees, their powers and duties.

i. No transfer of any property belonging to the Bank shall be made except under the previous sanction of the Board: Provided that no such sanction shall be necessary for the transfer of securities held by the Bank as fixed deposits on the maturity of such deposits or as cover for loans granted by the Bank on the discharge of such loans.

Bye-law No.50. (2) All documents relating to the transfer of properties or negotiations of securities shall be executed by the President or the Vice-President in his absence or the Secretary when specially authorised in this behalf by the Board of Directors.

(3) All cheques drawn by or on behalf of the Bank shall be signed jointly by the Secretary and the Honorary Treasurer and in the absence of the latter by the President.

(4) Bills and cheques in favour of the Bank shall be endorsed for collection by the Secretary.

(5) Share Certificates, Fixed Deposits Receipts, Thrift Certificates and Savings Deposit Bonds shall be signed jointly by the President or the Vice- President in his absence and the Secretary.

(6) All other documents such as receipts, challans, adjustment slips etc., shall be signed by the Secretary or by such Official as may from time to time be authorised in this behalf under the subsidiary rules of the Bank.

Bye-law No.63. (a) No member can vote at any General Meeting otherwise than by being present in person at such meeting. Provided that in the case of an affiliated Society, the duly appointed delegate of such society may attend the meeting and vote in person.

(b) The Panchayet, Managing Committee or Board of Directors or the General Body of every affiliated Society desirous of participating in the proceedings of any General Meeting of the Bank shall by a resolution appoint one of its members who is not a

Bye-law No.63.

(b) a defaulter in respect of any dues to the society for a period exceeding three months, to be its delegate to attend and vote at the General meeting of the Bank and also to stand for elections and send a copy of such resolution duly certified to be a true copy by the President or Secretary of the society and bearing its seal, if any to the office of the Bank so as to reach it at least ten days before the date of the General Meeting of the Bank.

(c) At least seven days before the date of the General Meeting of the Bank, the Bank shall prepare an alphabetically arranged list of the names of reference share holders together with their addresses and designations, as far as possible, and a list of delegates of the affiliated societies whose names have been communicated within the prescribed time, arranged according to the Districts in which the societies are situated. The lists shall be made available to members for inspection, free of charges during the working hours of the Bank. No member whose name is not entered in such lists shall be entitled to vote or to stand as a candidate for election as President member of the Board Directors or Controller at a General Meeting.

Bye-law 65.

At the close of each working year of the Bank the net profits shall be declared by deducting from the gross profits the expenditure of the year and the balance thereafter shall be divided as follows in the order given:-

ye-law No.65.

(a) A sum not less than 25% shall go to the Reserve Fund

(b) A sum not less than 5% of the remainder shall be credited to the Bad Debts Reserve Fund

(d) A dividend of not more than 7½% shall be paid on all preference shares.

(d) A dividend upto 6½% may be paid on all Ordinary shares.(In no case, however, shall the rate of dividend paid to Preference share-holders in any year be less than the rate of dividends paid to Ordinary Share-holders).

(e) The remainder, if any, shall be utilised:

i. in building up a Dividend equalisation Fund

ii. in giving rebate to borrowing societies in proportion to loans repaid, subject to such conditions as to punctuality of repayments of dues as may be imposed from time to time by the Board of Directors

iii. in providing for sinking Fund for debentures, if any

iv. in granting bonus to the staff and

v. for such other purposes as may be determined by the General Body and approved by the Registrar.

Conduct of Elections:-

ye-law No.73.

If more candidates than there are vacancies have been validly ~~nominated~~ reported, votes shall be taken in accordance with the following procedure

i. On the date fixed for election, every member who wishes to exercise his vote shall at the place and time specified by the Board sign in

Bye-law No.73.

i. in the roll of members present at the General Meeting and obtain from the Clerk an identification card bearing the Members Serial number in the Roll.

ii. The voting paper shall be printed and shall contain the names of all the candidates for election as the President, Members of the Board of Directors, Controllers and Auditors under separate heads together with instructions as to the manner in which the vote is to be recorded.

iii. The Polling Officers, appointed by the General Body, shall be supplied with a sealed box provided with an aperture for receipt of voting papers, the lists of Members and Delegates prepared under Bye-law 63(c), the Roll of Members present at the General Meeting and a bound Book of voting papers serially numbered in foil and counterfoil.

iv. It shall be the duty of the Polling Officers to see that votes are recorded with absolute secrecy; that the candidates or their agents shall not speak to or address any intending voter in the polling room; and that the members who have recorded their votes leave the polling room immediately. It shall also be their duty to satisfy themselves that the name of every person seeking to vote is entered in the list of Members and Delegates prepared under Bye-law 63(c).

v. The procedure for recording each members vote ~~vote~~ shall be as follows:-

(a) Every member may vote for only one candidate for Presidentship and as many candidates as there are (1)Directors(2)Controllers and(3) Auditors to be elected.

(b) As each member enters the polling room he shall deliver to one of the Polling Officers his identification card and obtain a voting paper, after signing in the counterfoil thereof. While issuing the voting paper, the Polling Officers shall note the number of the identification card in the Counterfoil.

(c) The member after making a cross in the voting paper against the names of candidates for whom he wishes to vote, shall deposit the same in the sealed box and leave forthwith the polling room.

vi. On the conclusion of the poll, the Polling Officers shall open the ballot box and count the votes. The candidates shall be entitled to be present when the votes are counted. After the votes are counted, they shall prepare and submit to the Chairman of the General Meeting a list of names of the candidates noting against each the number of votes secured by him.

vii. The candidate who has secured the largest number of votes shall be declared duly elected. If there is, however an equal number of valid votes in favour of each of two or more candidates for one vacancy, the selection of one such candidate shall be made by lot by the Chairman of the meeting in the presence of the Polling Officers.

viii. The result of the election shall be declared by the Chairman of the General Meeting and shall be recorded in the minutes of the proceedings of the meeting. The names of persons declared to have been elected shall be published on the Notice Board of the Bank.

ix. After the voting papers have been scrutinised and counted, they, with the counterfoils, shall forthwith

forthwith be replaced in the ballot box from which they were taken and the box, after being locked and sealed with the Bank's seal, shall be kept by the Bank in safe custody.

x. On the expiry of sixty days from the date of declaration of the result of the election, the voting papers with the counterfoils in the sealed box, shall be destroyed in the presence of the President of the Bank or any other officer of the Bank appointed by him for this purpose.

Provided that if, within the said period intimation in writing is given to the Bank of any application regarding the election made to the Registrar of Co-operative Societies in Mysore or other duly constituted tribunal, they shall not be destroyed till such application is finally disposed of".

Bye-law No.74. ~~Notwithstanding anything~~ Upon a member including an affiliated society from whom money is due pays any sum, it shall in the absence of direction by the Board to the contrary be appropriated in the following order:-

First to fees, postal, registration and other miscellaneous charges due ~~by him.~~

Secondly, to ~~arrears~~ interest and interest and

Thirdly to principal.

Bangalore 2/10/37 — Secretary 2/10/37

Approved and Registered.

Bangalore,
Dated 2nd October 1937.

Registrar of Co-operative Societies in Mysore.

Appendix F G—1]

SUBJECT .....

.....

.....

Section V.I.

File No. 11-36

Serial No. 202

Diary No. of letter replied to.....

No. D 3559

To

The Registrar C.S.

General and Revenue Secretariat

( )

the *193*

Sir.

Date of issue 12-11-37

With reference to the Correspondence ending with your letter No 2885 dated 11-10-37 forwarding draft rules for the revision of the Constitution of the Apex Bank, I am directed to request you to kindly consult the President of the Apex Bank with regard to the proposed rules, if you have not already done so ~~in his opinion~~ and forward ~~the opinion~~ with your recommendations thereon for Government's consideration.

Signed by Mr K. Subba Rao

Left table

List of enclosures.....

Copied by .....

Examined by.....

I have dr

Typing 11.37

Secy. L & S

8.11.37

25

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE

General and Revenue Secretariat

No. D 3559/ L.S. II-36-202. Dated, Bangalore, 10th November 1937
12-45

From

The *Secretary to the Government of His Highness the Maharaja of Mysore, Local Self-Government Department.*

To

The Registrar of Co-operative Societies in Mysore,
Bangalore.

Sir,

With reference to the correspondence ending with your letter No. 2885 dated 11th October 1937 forwarding draft rules for the revision of the constitution of the Apex Bank, I am directed to request you to kindly consult the President of the Apex Bank with regard to the proposed rules, if you have not already done so, and communicate the result for the information of Government.

I have the honor to be,
Sir,
Your most obedient servant,

By order
for Secretary to Government,
L.S.G. Department.

TRM.2

C.S. 11-36-213

3053 24

No. 4464 C. S.

Copy 2.

GOVERNMENT OF MYSORE.

DEPARTMENT OF CO-OPERATION.

OFFICE OF THE REGISTRAR OF CO-OPERATIVE SOCIETIES IN MYSORE.

Telegraphic Address: "CO-OPERT" Bangalore

Dated Bangalore, 6th December *193*7.

7 DEC. 1937

FROM

M. ABDUL HUKH, Esq., B.A.,
Registrar of Co-operative Societies in Mysore,
BANGALORE.

To

P.H.Krishna Rao, Esq., M.A.,
Secretary to the Government of Mysore,
Local Self-Government Department, Bangalore.

Sir,

With reference to your letter No.D.3559/C.S.11-36-202 dated 12th November 1937 requesting me to consult the President of the Apex Bank regarding the draft rules proposed by me for the revision of the constitution of the Apex Bank, I have the honour to forward herewith a copy of letter No.5377 dated 24th November 1937 received from him in the matter and to state that I agree with him in respect of providing representation to the Preference Share-holders on the Directorate till the individual membership is wholly eliminated but I have to differ from him and adhere to my proposal with regard to the representation of the Depositors on the Directorate. The - - deposits from the public amount to as much as Rs.31,91,748 as against the preferential share amount of only Rs.42,985 held by individuals and ordinary share amount of Rs.2,11,409 held by societies. Thus the interests of the depositors in the Apex Bank are huge and need protection; and further if and when, as the goal is, the Apex Bank consists of only society members who are all prospective borrowers, the investing public without special representation would then have no means of having a voice in or a direct knowledge of the affairs of the society and might not have the same confidence in the Institution and as a result thereof its funds might suffer. I am therefore of opinion that the strength of the Board may be fixed -- definitely at 15 of which until the Bank becomes a pure federation of registered co-operative societies, the rural societies may be

P.T.O.

be allotted 5 seats, the urban 3, the preferential share-holders 2 and depositors 2. When the preferential share-holders are entirely eliminated, the two seats reserved for them may be divided between the rural and the urban societies.

Against the argument that depositors find no place in the Directorate of even Joint Stock Banks, I have to state that the analogy is not quite applicable in as much as in a Joint Stock Bank the borrowers as such have no voice in the management while in a purely federated Co-operative Apex Bank, the Directorate would mostly if not wholly consist of either actual or prospective borrowers. A more applicable analogy would be that of the Insurance Companies which are somewhat co-operative in their nature which provide for representation of Policy Holders on the Directorate though they are not share-holders.

The President of the Bank suggests 6 seats being given to the urban societies and 3 to the rural. On the other hand, I would propose that 5 seats should now be given to the rural societies and 3 to the urban, since the shares held by and the interests involved of the former are very much larger than those of the latter. I agree with the President that the electable portion of the different classes of representatives should be elected by different electorates.

In view of the above, I submit herewith revised Draft Rules for the consideration of Government.

I have the honour to be,
Sir,
Your most obedient servant,

Registrar.

L.S.3/12.

OFFICE OF THE REGISTRAR OF CO-OPERATIVE SOCIETIES IN MYSORE.

Draft Rules for the revision of the Constitution of the Apex Bank

Rule 32: (1) The management of the Mysore Provincial Co-operative Apex Bank;Ltd., shall vest in a Board of Directors consisting of 15 persons including the President.

(2) The President of the Board shall be nominated by Government and shall hold office ordinarily for a period of 3 years ~~in the first instance which~~ may ~~be~~ extended from time to time ~~if deemed necessary~~.

(3) Two other Directors shall be ~~nominees of~~ nominated by Government, one of whom shall be either the Director of Industries and Commerce or the Comptroller to Government or the Director of Agriculture and the other a Non-official gentleman.

(4) Of the remaining ~~members of the Board two shall been representatives of depositors of the Bank~~, five representatives of affiliated rural societies, ~~three~~ of affiliated urban societies, and two of preferential share-holders.

(5) The representatives of depositors shall be selected by Government and shall vacate office if they cease to be depositors.

(6) The representatives of rural and urban co-operative societies and the preferential share-holders shall be elected at a general body meeting by their own respective groups of electors.

(7) The President and the members of the Board nominated ~~or selected~~ by Government under Sub-Rules 2, 3 ~~and 5~~ above need not necessarily be share-holders of the Bank.

(8) Of the elected members not less than ~~four~~ five shall retire by rotation at each annual general meeting and they shall not be eligible for re-election till the next annual general meeting of the Bank.

(9) Any vacancy occurring in the Board in respect of the elected members between two general meetings shall be filled up by the remaining members of the Board in such a way that the ~~strength~~ numbers representing the preference share-holders the urban and rural societies ~~representatives~~ is in conformity with ~~that specified in~~ Sub-rule 4.

(10) When the individual membership of the Bank is

P.T.C.

is completely eliminated the two seats allotted to the preference share-holders shall be distributed ~~equally~~ Suitably between the rural and urban societies.

11. The Chief Executive Officer of the Bank shall be the Secretary. He shall be a whole-time salaried Officer who shall be appointed by the Board subject to the approval of Government. He shall not be a member of the Board.

12. The Bank shall have a qualified Auditor on its staff for purposes of internal continuous audit and his appointment shall be subject to the approval of the Registrar.

Registrar.

L.S.3/12.

OFFICE OF THE REGISTRAR OF CO-OPERATIVE SOCIETIES IN MYSORE.

D.O.letter No.5377 dated 24th November 1937 from the President, the Mysore Provincial Co-operative Apex Bank,Ltd.,Bangalore,to the Registrar of Co-operative Societies in Mysore,Bangalore.

==========

I am in receipt of your letter No.409 dated 18-11-1937 forwarding a copy of the Draft Rules proposed by you regarding the composition of the Directorate of the Apex Bank and calling for my views thereon.

From the draft rules proposed, I see that no representation is provided to the preference share-holders at all. On the other hand, depositors are given representation. Even in Joint Stock Banks, depositors, as such, have no representation on the Directorate. The ultimate goal of the Apex Bank is no doubt that it should be purely a federation of societies with no individual share-holders at all. But as matters stand at present, we cannot buy up all the preference - shares and extinguish them. Neither is such a step desirable in the best interests of the Institution. On 30-6-37 we had 985 societies and 246 individuals on our rolls. The policy of the Bank has been the gradual elimination of the preference share-holders and granting fresh admission only in exceptional cases where the admission of the individual concerned would be benefial to the Bank. I would therefore suggest that the the composition of the Directorate may be fixed as follows:-

1. One President(to be nominated by Government for a period of 3 years in the first instance).
2. Two Directors (to be nominated by Government).
3. Six Directors (to be elected from among the representatives of Urban societies).
4. Three Directors (to be elected from among the representatives of Rural Societies).
5. Three Directors(to be elected from among the preference share-holders of the Bank).

Total 15.

If the number of preference share-holders goes down appreciably and fresh admission is stopped, the composition of the Directorate may be revised and the rule amended suitably.

If the strength of the Board is fixed at 13 instead of 15, the number of rural society representatives may be reduced to two and only one Director nominated by Government.

P.T.O. Another

Another suggestion that I wish to make is with regard to the mode of election. The electorate under (3),(4) and (5) should be separate and each group should elect its own Directors.

In other respects the proposed rules appear to be all right. The above are my personal views in the matter and if you desire to have the Board's views, I shall place the subject before the Board at their next meeting and intimate to you their opinion in due course.

****

" Copy "

L.S.3/12.

Registrar.

TELEPHONE No. 2074.

THE MYSORE PROVINCIAL CO-OPERATIVE APEX BANK, LTD.,

BANGALORE CITY

No 6926 Dated 4th January 193 8.

To

S. Sivadutt Esq., B.A.,
Under Secretary to Revenue Secretariat,
Old Public Offices,
Bangalore.

Dear Sir,

Relating

Desired, I send herewith the information required by you to this effect:-

1. Authorised share capital.-

Preference 15000 shares of Rs.100/- each (to be allotted to Societies) Rs.1,50,000-0-0

Ordinary 55000 shares of Rs.10/- each (to be allotted to Societies) " 5,50,000-0-0

2. Number of shares applied for, & share capital subscribed upto 31-12-37.

Name of Societies	Number of shares taken.		Amount of share capital subscribed upto 31-12-37.
1. Individuals (Preference shares)	247	1741	Rs. 1,71,7-2.
2. Central Societies	7.	11.	" 2, 301- 1-5.
3. Urban-Societies	179.	291.	" 15,951-15-6.
4. Rural-Societies.	306.	2100.	" 1,[illegible],166-12-3.
	1335	3912	Rs. [illegible],240-10-4

Yours sincerely

Secretary.

P. S.

It is also ascertained that the urban Societies are mostly depositors and the rural Societies mostly borrowers.

24/1/38

Statement containing the position as per draft rules proposed and the byelaws amended in respect of the revision of the constitution of the Apex Bank.

* * *

As per draft rule.	As per byelaw amended.
1. The Board shall consist of a President and not less than 12 and not more than 14 persons as may be fixed from time to time. The President shall be nominated by Government and shall hold office for a period of three years in the first instance, this period to be extended from time to time if necessary. Two of the Directors shall be nominated by Government, one of them being either the Director of Industries and Commerce or Director of Agriculture or Comptroller and the other a non-official gentleman.	The Board shall consist of a President and not more than 14 members of whom the President and 12 members shall be elected by the general body and one member may be co-opted by the Board. Of the 12 elected members six at least shall be elected from among the representatives of affiliated Societies. Government may nominate any person whether a member or not to be an additional member.
Of the remaining members, two shall be selected by Government from among the individual depositors ~~of the Bank~~ of the Bank. The remaining members shall be elected from among the representatives of affiliated Societies.	No corresponding provision.
Out of the elected members at least three shall be representatives of rural societies and three of urban societies.	Vide Para 1 above.
The President and members of the Board nominated or selected by the Government need not necessarily be share holders of the Bank.	No provision for representation of depositors (for nomination by Government see para 1 above).

Any vacancy in the Board in respect of elected members shall be filled up by the remaining members of the Board in such a way that the strength of the rural and urban representatives is in conformity with that specified above.

The Chief Executive Officer of the Bank shall be the Secretary who shall be a wholetime salaried officer and shall be appointed by the Board subject to the approval of Government. He shall not be a member of the Board.

Of the elected members, not less than three when the strength of the Board is 13, and not less than four when ~~xx~~ it is 15 shall retire by rotation and they shall not be eligible for re-election till the next annual general meeting of the Bank.

The Bank shall have a qualified auditor on its staff for purposes of internal continuous audit and his appointment shall be subject to the approval of the Registrar.

Any casual vacancy occuring in the office of the President or other Director shall be filled up for the unexpired term of his office by the remaining members of the Board.

The Board of Directors shall appoint a salaried officer as Secretary of the Bank who subject to the control of the Board of Directors shall be responsible for the executive administration of the Bank and shall have such powers and perform such duties as the Board may deem fit to assign to him.

~~xxxxxxxxx~~ There is no provision for retirement by rotation. The elections are held annually and a retiring Director or President is eligible for re-election (Bylaw 43).

Two members of the Bank who are not Directors shall be elected as Controllers at the annual general meeting and shall hold office for one year or till their successors are appointed and shall be eligible for re-election. The duties of the Controllers shall be to check the accounts and verify the cash as often as possible, either singly or jointly as may be arranged between themselves.

The Committee on Co-operation have stated in their Report (Part II) that the appointment of a qualified auditor permanently on the staff of the Banks is understood to have since been made

Two D/s
1

C.S 11-36-249 34

12 Copies

Proceedings of the Govt. of His Highness the Maharaja of Mysore.

***

R E A D:

'Recommendation of the Committee on Co-operation in Mysore in the matter of the revision of the constitution of the Mysore Provincial Co-operative Apex Bank, Ltd.'

2. Correspondence ending with letter No. 4464/C.S. dated the 6th December 1937 from the Registrar of Co-operative Societies furnishing his opinion in the matter.

3. G.O.No.D.6155-56/C.S.11-36-242 dated 23rd.February 1938 passing orders on the recommendations contained in Chapter IV of the Report of the Committee on Co-operation relating to the Apex Bank.

*****

ORDER NO. 19 67-38/C.S. 11-36-249 -39 21st March

Dated 21st ~~February~~ 1938.

The recommendations of the Committee relating to the management of the Apex Bank and the observations of Government thereon are contained in para 2(6) ~~26~~ of the G.O. read above.

2. In pursuance of these observations, it is ~~Government~~ proposed to frame rules as in the annexture, under Section 44 (2) (g) of the Mysore Co-operative Societies Act.

3. Government feel that in view of the increased responsibilities proposed to be imposed on the Apex Bank and the need for

P.T.O.

~~the~~ a continuity of ~~the~~ policy, it may be necessary and desirable ~~for Government~~ to nominate the President for a longer period than one year as in the case of the Central Land Mortgage Bank. As a first step in this direction it is proposed ~~Government are of the opinion~~ that the election of the President should be subject to the approval of Government.

24.2.38

Secy. to Govt.,
L.S.G. Department.

To

The Registrar of C. S., in Mysore. D. 6739

The Comptroller to Government. D 6740

TSS.

Annexure

Draft Rules for the revision of the Constitution of the Apex Bank.

***

Rule 32: (1) The management of the Mysore Provincial Co-operative Apex Bank, Ltd., shall vest in a Board of Directors consisting of 15 persons including the President.

(2) The President of the Board shall be elected by the general body, subject to the approval of Govt. ~~nominated by Government and shall hold office ordinarily for a period of 3 years, provided that Government may extend the period from time to time.~~

(3) Two other Directors shall ~~also~~ be nominated by Government.

(4) Of the remaining Directors five shall be representatives of affiliated rural societies, five of affiliated urban societies, and two of preferential share-holders.

(5) The representatives of rural and urban co-operative societies and the preferential share-holders shall be elected at a general body meeting of the ~~meeting~~ by their own respective groups of electors.

(6) The ~~President and the~~ members of the Board nominated by Government under ~~Sub-Rules 2, and~~ paragraphs 2 and 3 above need not necessarily be share-holders of the Bank.

(7) Of the elected members ~~not less than~~ five shall retire by rotation at each annual general election and they shall not be eligible for re-election till the next following annual general meeting of the Bank.

x two each from the amongst the rural and urban representatives and one amongst two representatives of individual shareholders -

(8) Any vacancy occurring in the Board in respect of the elected Directors between two general meetings shall be filled up by the remaining members of the Board in such a way that the number of representatives of the preference share-holders, and of the urban and rural societies is in conformity with ~~Sub-rule~~ para clause 4.

(9) When ~~the~~ individual members~~hip of the~~

37

~~Bank is~~ are completely eliminated from the Bank, the two seats allotted to the preference share-holders shall be distributed suitably between the rural and urban societies.

(10) The Chief Executive Officer of the Bank shall be the Secretary. He shall be a whole-time salaried Officer who shall be appointed by the Board subject to the approval of Government. He shall not be a member of the Board.

(11) The Bank shall have a qualified Auditor on its staff for purposes of internal continuous audit and his appointment shall be subject to the approval of the Registrar.

****

App. F. VI G 10. P. B No 33/37-38

3.

Government of His Highness the Maharaja of Mysore.

2 00 copies

GENERAL AND REVENUE DEPARTMENTS

G. O. No. D 6738-39/ G.S. 11-36-249 DATED 21-3-38

May this be

i. printed? Yes

ii. treated as a standing order? Yes

iii. published in the Gazette English Part?

iv. translated?

v. placed at the disposal of the press?

vi. published in the Gazette Kannada Part?

} Yes

The Mysore Provincial Co-operative Apex Bank Ltd

Passes orders regarding the constitution of the

Yes
24/3/38

REVENUE SECRETARIAT
MAR 1938

24/3/38

PROCEEDINGS OF THE GOVERNMENT OF HIS HIGHNESS
THE MAHARAJA OF MYSORE.

READ:-

Recommendation of the Committee on Co-operation in Mysore in the matter of the revision of the constitution of the Mysore Provincial Co-operative Apex Bank, Ltd.

2. Correspondence ending with letter No.4464/C.S. dated the 6th December 1937 from the Registrar of Co-operative Societies furnishing his opinion in the matter.

3. Government Order No.D.6155-56/C.S.11-36-241 dated 23rd February 1938 passing orders on the recommendations contained in Chapter IV of the Report of the Committee on Co-operation relating to the Apex Bank.

****

ORDER NO. D 6738/C.S. 11-36-249
-39

Dated, Bangalore, the 18th March 1938.
24

The recommendations of the Committee relating to the management of the Apex Bank and the observations of Government thereon are contained in paragraph 2 (6) of the Government Order read above.

2. In pursuance of these observations, it is proposed to frame rules, as in the annexure, under Section 44(2)(g) of the Mysore Co-operative Societies Act.

3. Government feel that in view of the increased responsibilities proposed to be imposed on the Apex Bank, and the need for a continuity of policy, it may be necessary and desirable to nominate the President for a longer period than one year as in the case of the Central Land Mortgage Bank. As a first step in this direction it is proposed that the election of the President should be subject to the approval of Government.

Press Copy

(Sd) P. H. Krishna Rao

Secretary to Government,
L.S.G. Department.

To

The Registrar of Co-operative Societies in Mysore.
The Comptroller to Government.

ANNEXURE.

Draft Rules for the revision of the Constitution of the Apex Bank.

32

Rule 32:- (1) The management of the Mysore Provincial Co-operative Apex Bank, Ltd., shall vest in a Board of Directors consisting of 15 persons including the President.

(2) The President of the Board shall be elected by the General Body subject to the approval of Government.

(3) Two other Directors shall be nominated by Government.

(4) Of the remaining Directors five shall be representatives of affiliated rural sosieties, five of affiliated urban societies, and two of preferential shareholders.

(5) The representatives of rural and urban co-operative societies and the preferential share-holders shall be elected at a meeting of the general body by their own respective groups of electors.

(6) The members of the Board nominated by Government under paragraph- 3 above need not necessarily be shareholders of the Bank.

(7) Of the elected members five shall retire by rotation at each annual general election, two each from among the rural and urban representatives and one out of the two representatives of individual share-holders, and they shall not be eligible for re-election till the next following annual general meeting of the Bank.

(8) Any vacancy occurring in the Board in respect of the elected Directors between two general meetings shall be filled up by the remaining members of the Board in such a way that the number of representatives of the preference share-holders and of the urban and rural societies is in conformity with Clause 4.

(9) When individual members are completely eliminated from the Bank, the two seats allotted to the preference share holders shall be distributed suitably between the rural and urban societies.

(10) The Chief Executive Officer of the Bank shall be the Secretary. He shall be a whole-time salaried Officer who shall beappointed by the Board subject to the approval of Government. He shall not be a member of the Board.

(11) The Bank shall have a qualified Auditor on its staff for purposes of internal continuous audit and his appointment shall be subject to the approval of the Registrar.

P L Narasimha

for Secretary to Government,
to L.S.G. Department.

S/12.

S. O.

Government of his highness the Maharaja of Mysore.

GENERAL AND REVENUE DEPARTMENTS.

G. O. No. D. 6738-39—C. S. 11-36-249, dated 18th—21st March 1938.

The Mysore Provincial Co-operative Apex Bank, Limited.

Passes orders regarding the constitution of the ——.

READ—

Recommendation of the Committee on Co-operation in Mysore in the matter of the revision of the constitution of the Mysore Provincial Co-operative Apex Bank, Ltd.

2. Correspondence ending with letter No. 4464—C. S., dated the 6th December 1937, from the Registrar of Co-operative Societies, furnishing his opinion in the matter.

3. Government Order No. D. 6155-56—C. S. 11-36-242, dated 23rd February 1938, passing orders on the recommendations contained in Chapter IV of the Report of the Committee on Co-operation relating to the Apex Bank.

ORDER No. D. 6738-39—C. S. 11-36-249, DATED BANGALORE, THE 18TH—21ST MARCH 1938.

The recommendations of the Committee relating to the management of the Apex Bank and the observations of Government thereon are contained in paragraph 2 (6) of the Government Order read above.

2. In pursuance of these observations, it is proposed to frame rules, as in the annexure, under Section 44 (2) (g) of the Mysore Co-operative Societies Act.

3. Government feel that in view of the increased responsibilities proposed to be imposed on the Apex Bank, and the need for a continuity of policy, it may be necessary and desirable to nominate the President for a longer period than one year as in the case of the Central Land Mortgage Bank. As a first step in this direction, it is proposed that the election of the President should be subject to the approval of Government.

P. H. KRISHNA RAO,
Secretary to Government,
Local Self-Government Department.

To—The Registrar of Co-operative Societies in Mysore.
The Comptroller to Government.

Exd.—C. K.

43

No. D. 6738-39—C. S. 11-36-249, DATED 18TH—21ST MARCH 1938.

ANNEXURE.

Draft Rules for the revision of the constitution of the Apex Bank.

Rule 32.—(1) The management of the Mysore Provincial Co-operative Apex Bank, Ltd., shall vest in a Board of Directors consisting of 15 persons including the President.

(2) The President of the Board shall be elected by the General Body subject to the approval of Government.

(3) Two other Directors shall be nominated by Government.

(4) Of the remaining Directors, five shall be representatives of affiliated rural societies, five of affiliated urban societies and two of preferential shareholders.

(5) The representatives of rural and urban co-operative societies and the preferential shareholders shall be elected at a meeting of the general body by their own respective groups of electors.

(6) The members of the Board nominated by Government under paragraph 3 above, need not necessarily be shareholders of the Bank.

(7) Of the elected members, five shall retire by rotation at each annual general election, two each from among the rural and urban representatives and one out of the two representatives of individual shareholders, and they shall not be eligible for re-election till the next following annual general meeting of the Bank.

(8) Any vacancy occurring in the Board in respect of the elected Directors between two general meetings shall be filled up by the remaining members of the Board in such a way that the number of representatives of the preference shareholders and of the urban and rural societies is in conformity with Clause 4.

(9) When individual members are completely eliminated from the Bank, the two seats allotted to the preference shareholders shall be distributed suitably between the rural and urban societies.

(10) The Chief Executive Officer of the Bank shall be the Secretary. He shall be a wholetime salaried officer who shall be appointed by the Board subject to the approval of Government. He shall not be a member of the Board.

(11) The Bank shall have a qualified auditor on its staff for purposes of internal continuous audit and his appointment shall be sub
the Registrar.

WD 1663—GPB—425—28-3-38

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Appendix F G—1]

SUBJECT ..... G

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12 Copies

Section 65

File No. 11-36

Serial No. 250

No. D6741

Notification

Diary No. of letter replied to.....

General and Revenue Secretariat

( )

the *193*

Date of issue 21.3.38

Signed by .....

List of enclosures.....

Copied by .....

Examined by.....

In exercise of ~~To~~ the powers vested in them under ~~by~~ section 44 (2) (g) of the Mysore Cooperative Societies Act of 1918, as amended from time to time, the Govt of H.H. the Maharaja of Mysore are pleased to publish for general information the following draft rules regarding the Constitution of the Mysore Provincial Cooperative Apex Bank Ltd.

Any suggestion or ~~objection~~ objections to the proposed rules may be forwarded to the Secretary to Government Local Self Govt Department within two months from the date of publication of this notification in the Mysore Gazette, after which the draft rule

will be taken up for Consideration.

Any Suggestions received after the above date will not be Considered by Govt.

(Here enter the portion marked within brackets in the annexure to the G.O)

By order

16/3
J Lees. L.V.S

To

The Compiler Lingua papers for publication in the papers in English & Kannada with the request that 25 copies of each of the said notifn may be sent to this office

Memo D674 / 21.3.38

Copy of the above & forwarded with Compliments to the Revising Cl. for information

B O

16/3
J Lees. L.D.S

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE.

General and Revenue Secretariat.

No. D6741/CS-11-36-250 Dated, Bangalore, 18th March 1938.

NOTIFICATION.

In exercise of the powers vested in them under Section 44(2)(g) of the Mysore Co-operative Societies Act of 1918, as amended from time to time, the Government of His Highness the Maharaja of Mysore are pleased to publish for general information the following draft rules regarding the constitution of the Mysore Provincial Co-operative Apex Bank Ltd.

Any suggestions or objections to the proposed rule may be forwarded to the Secretary to Government, Local Self Government Department within two months from the date of publication of this notification in the Mysore Gazette, after which the draft rule will be taken up for consideration.

Any suggestions received after the due date will not be considered by Government.

"Rule 32:-(1) The management of the Mysore Provincial Co-operative Apex Bank, Ltd., shall vest in a Board of Directors consisting of 15 persons including the President.

(2) The President of the Board shall be elected by the General Body subject to the approval of Government.

(3) Two other Directors shall be nominated by Government.

(4) Of the remaining Directors five shall be representatives of affiliated rural societies, five of affiliated urban societies, and two of preferential shareholders.

(b) The representatives of rural and urban co-operative societies and the preferential shareholders shall be elected at a meeting of the General Body by their own respective groups of electors.

(6) The members of the Board nominated by Government under paragraph 3 above need not necessarily be share-holders of the Bank.

(7) Of the elected members five shall retire by rotation at each annual general election, two each from among the rural and urban representatives and one out of the two representatives of individual share-holders, and they shall not be eligible for re-election till the next following General meeting of the Bank.

(8) Any vacancy occurring in the Board in respect of the elected Directors between two general meetings shall be filled up by the remaining members of the Board in such a way that the number of representatives of the preferential share-holders and of the urban and rural societies is in conformity with clause 4.

(9) When individual members are completely eliminated from the Bank the two seats allotted to the preference share-holders shall be distributed suitably between the rural and urban societies.

(10) The Chief Executive Officer of the Bank shall be the Secretary. He shall be a whole-time salaried Officer who shall be appointed by the Board subject to the approval of Government. He shall not be a Member of the Board.

(11) The Bank shall have a qualified Auditor on its staff for purposes of internal continuous audit and his appointment shall be subject to the approval of the Registrar.

By Order,

K. Srinivasan

Secretary to Government,
L. & D. Department.

To

The Compiler, Mysore Gazette, for publication in Part IV of the Gazette

in English and Kannada with the request that 25 copies of each of the said notification may be sent to this office.

Ci 11-36-261

GOVERNMENT OF MYSORE.

No. 9535 C. S.

49

Enc 2

Telegraphic Address:
"CO-OPERT"
Bangalore

DEPARTMENT OF CO-OPERATION.

OFFICE OF THE REGISTRAR OF CO-OPERATIVE SOCIETIES IN MYSORE.

Dated Bangalore, 14th May 1938.

CS 15.5.38

6475

FROM

M. ABDUL HUKH, ESQ., B.A.,
Registrar of Co-operative Societies in Mysore,
BANGALORE.

REVENUE SECRETARIAT 17 MAY 1938 DEVELOPMENT BRANCH.

To

P.H.Krishna Rao,Esq.,M.A.,
Secretary to the Government of Mysore,
Local Self-Government Department,Bangalore.

Sir,

With reference to Notification No.D.6741/C.S.11-36-250 dated 18th/21st March 1938 publishing draft rules under the Mysore Co-operative Societies' Act regarding the constitution of the Mysore Provincial Co-operative Apex Bank,Ltd., and inviting suggestions or objections to the proposed Rule, I have the honour to forward herewith a copy of letter No.12253 dated 11th May 1938 together with a copy of the enclosure thereto received from the Secretary of the said Bank and to state as follows:-

I am not in favour of increasing the number of representatives of urban societies and of preference share-holders on the Board and reducing the number of representatives of rural societies as the reasons advanced by the Board of Directors of the Bank that the required type of men may not be available from among the representatives of Rural Societies are not correct in as much as men of the required type are available and there is keen competition among them to serve as Directors. I may also add that there has been keen disappointment among several rural societies that sufficient facilities have not been given to them so far to serve on the Directorate. The number of affiliated rural societies is nearly 850 and the shares held by them come to over 3,000 whereas the number of affiliated urban societies is less than 150 and their share holding does not exceed 500. Moreover the Apex Bank exists primarily for helping the rural societies and as such a knowledge of rural life and conditions is necessary, which can be had by providing for adequate representation to the -

P.T.O.

the rural societies.

A definition of the terms "Rural" and "Urban" societies is also desirable as pointed out by the Board. But as the places in which minor Municipalities have been constituted are mostly rural in their outlook and the majority of the population consists of agriculturists I am of opinion that societies in such places may be treated as rural and not urban.

The Rules may be revised as hereunder incorporating some of the suggestions of the Board:-

Rule 32

1. The management of the Mysore Provincial Co-operative Apex Bank, Ltd., shall vest in a Board of Directors consiting of 15 persons including the President.

2. The President of the Board shall be elected annually by the General Body at the Annual General Meeting subject to the approval of Government.

3. Two Directors shall be nominated by Government and they shall hold office till their successors are appointed.

4. Of the remaining Directors, five shall be representatives of affiliated rural co-operative societies, five of affiliated urban co-operative societies and two of preference share-holders.

5. The representatives of rural and urban affiliated co-operative societies and the preference share-holders shall be elected at the Annual General Meeting of the Bank by their own respective groups of electors.

6. The members of the Board nominated by Government under Clause 3 above, need not necessarily be share-holders of the Bank.

7. Of the twelve members of the Board elected in accordance with Clause 5,above, five shall retire by rotation at each annual general election, two each from out of the representatives of the rural and urban affiliated co-operative societies and one from out of the representatives of preference share-holders and they shall not be eligible for re-election till the next following annual general meeting of the Bank, the Directors to retire every year being determined by lot at a meeting of the Board prior to such annual general meeting and their

OFFICE OF THE REGISTRAR OF CO-OPERATIVE SOCIETIES IN MYSORE.

their names being mentioned in the Annual Report.)

8. Any casual vacancy occurring in the office of the President or other elected Directors by death, resignation or any other cause shall be filled up for the unexpired term of their office by the remaining members of the Board in such a way that the number of representatives of the preference share-holders and of urban and rural societies is in conformity with Clause 4 above, [illegible]

9. The Chief Executive Officer of the Bank shall be the Secretary He shall be a whole-time salaried Officer who shall be appointed by the Board subject to the approval of Government. He shall not be a member of the Board.

10. The Bank shall have a qualified Auditor on its Staff for purposes of internal continuous audit and his appointment shall be subject to the approval of the Registrar.

N.B.- The expression "Urban Co-operative Societies" in this Rule shall mean and include all co-operative societies situated within the jurisdiction of the City and Town Municipalities in Mysore.

I have the honour to be,
Sir,
Your most obedient servant,

Personal Assistant
For Registrar
(absent from Headquarters on tour)

L.S.14/5.

[illegible]

Letter No.12253 dated 11th May 1938 from the Secretary, The Mysore Provincial Co-operative Apex Bank,Ltd., Bangalore,to the Registrar of Co-operative Societies in Mysore,Bangalore.

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With reference to Government Notification inviting opinion regarding the Draft Rules for the revision of the Constitution of the Apex Bank, I have the honour to enclose herewith an - extract from the Proceedings of the meeting of the Board of - Directors of the Apex Bank held on 8-5-1938 suggesting certain amendments etc., to the Draft Rules and to request that you may be pleased to forward the same to the Government with your recommendation for their final approval.

****

" Copy "

L.S.13/5.

Registrar.

Amendments suggested by the Board of Directors of the Apex Bank, to the Draft Rules published by Government for the revision of the Constitution of the Apex Bank.

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Rule 32(1) May stand

(2) Add the word "annually" after the word "elected"

(3) Delete the word "other" and add at the end of the rule the words, "and shall hold office till the next annaul general meeting or until their successors are appointed."

(4) The Board finds it difficult to express an opinion in the absence of a definition of the expressions "Urban Societies" and Rural Societies". It is desirable that the terms "Urban Societies" and "Rural Societies" be defined. The Board suggests that the term "Urban Societies" may be taken to include all societies situated within the jurisdiction of the City and Town Municipalities in Mysore, and that all other societies be classed as "Rural Societies". Based on this definition of the terms "Urban Societies" and "Rural Societies", the Board is of opinion that the number of representatives should be as under:-

6 representatives of Urban societies.

3 representatives of Rural societies.

3 representatives of Preference Share-holders.

The increase in the representation proposed in the case of Urban Societies is based on the reason that the required type of men may not be available among representatives of Rural societies.

(5) and (6) may stand.

(7) The process of retiring five Directors has not been defined. The Board feels that it is necessary to prescribe the procedure for determining which of the Directors should be retired under this Rule. The Board, however, is of opinion that instead of five Directors, only four Directors may be made to retire by rotation, of which two should be from amongst the representatives of Urban Societies, one from amongst the representatives of Rural Societies, and one from amongst the representatives

representatives of the Preference share-holders and that the Directors to retire every year should be determined by lot.

(8) Re-write as follows:-

Any casual vacancy occurring in the office of the President or other elected Directors by death, resignation or any other cause shall be filled up for the unexpired term of their office by the remaining members of the Board in such a way that the number of representatives of the Preference Share holders and of Urban and Rural Societies is in conformity with Clause 4 above.

(9) As there are at present 244 Preference Share-holders, there is no possibility in the near future of giving effect to this Rule. For this reason as well as for the reason that the Rule as framed is only an expression of policy, the same may with advantage be omitted.

(10) and (11) may stand.

The expression "Preference Share-holders" is used in the Byelaws of the Bank. It is suggested that the same expression may be conveniently adopted instead of the expression "Individual Share-holders" in Sub-Rules 4, 5, 7 and 9 for the sake of uniformity.

****

" Copy "

L.S.13/5.

Registrar.

Appendix F G—1]

SUBJECT.....

12 Copies

Section 65
File No. 11-36
Serial No. 265

Diary No. of letter replied to .....

No. D 7155

To Notification

General and Revenue Secretariat

( )

the 193 .

Date of issue 4-6-38

Signed by .....

In exercise of the powers vested in Government under Section 44 (2) (g) of the Mysore Cooperative Societies Act VII of 1918 as amended from time to time, the Govt of H.H. the Maharaja of Mysore are pleased to make the following rule in the matter of the Constitution of the Mysore Provincial Cooperative Apex Bank Ltd. Bangalore

List of enclosures.....

(Here enter the portion inserted in brackets in Pages 2 & 3 of the P. W.D.)

Copied by .....

Examined by.....

By order

WD 0278—GPB—30,000—4-3-38

To the Compiler Mysore Gazette for

publication in Part IV of the Myore Gazette in English & Kannada with the request that 200 Copies of each of the notifn may be sent to the Registrar of C.S. and 100 Copies each to this office

Memo D9156

A copy of the above is forwarded with Compliments to the Registrar of Cooperative Societies in Mysore for information

By order

for Secy to Govt
L. & G. Dept

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE,

General and Revenue Secretariat,

Dated, Bangalore, 1st June 1938.

No. 19-9155/ CS-11-36-265

NOTIFICATION.

In exercise of the powers vested in them under Section 44 (2) (g) of the Mysore Co-operative Societies Act VII of 1918 as amended from time to time, the Government of His Highness the Maharaja of Mysore are pleased to make the following rule in the matter of the constitution of the Mysore Provincial Co-operative Apex Bank, Ltd., Bangalore:-

Rule 32 :- 1. The management of the Mysore Provincial Co-operative Apex Bank, Ltd., shall vest in a Board of Directors consisting of 15 persons including the President.

2. The President of the Board shall be elected annually by the General Body at the Annual General Meeting subject to the approval of Government.

3. Two Directors shall be nominated by Government and they shall hold office till their successors are appointed.

4. Of the remaining Directors, five shall be representatives of affiliated rural co-operative societies, five of affiliated urban co-operative societies and two of preference share-holders.

5. The representatives of rural and urban affiliated co-operative societies and of the preference share-holders shall be elected at the Annual General Meeting of the Bank by their own respective groups of electors.

6. The members of the Board nominated by Government under Clause 3 above, need not necessarily be share-holders of the Bank.

7. Of the twelve members of the Board elected in accordance with Clause 5, above, five shall retire by rotation at each annual general election, two each from out of the representatives of the rural and urban affiliated co-operative societies and one from out of the representatives of preference share-holders and they shall not be eligible for re-election till the next following annual general meeting of the Bank, the Directors to retire every year being determined by lot at a meeting of the Board prior to such annual general meeting and their names being mentioned in the Annual Report.

8. Any casual vacancy occurring in the office of the President or other elected Directors by death, resignation or any other cause shall be filled up for the unexpired term of their office by the remaining members of the Board in such a way that the number of representatives of the preference share-holders and of urban and rural societies is in conformity with Clause 4 above, the election

of the President, being subject to the approval of Government.

9. The Chief Executive Officer of the Bank shall be the Secretary. He shall be a whole-time salaried Officer who shall be appointed by the Board subject to the approval of Government. He shall not be a member of the Board.

10. The Bank shall have a qualified Auditor on its staff for purposes of internal continuous audit and his appointment shall be subject to the approval of the Registrar.

N.B.— The expression "Urban Co-operative Societies" in this Rule shall mean and include all co-operative societies situated within the jurisdiction of the City and Town Municipalities in Mysore.

By Order,

Secretary to Government,
~~Co-operative~~ ~~L.S.G.~~ Department.

To

The Compiler, Mysore Gazette for publication in Part IV of the Mysore Gazette in English and Kannada with the request that 250 copies of each of the notification may be sent to the Registrar of Co-operative Societies and 100 copies each to this office.

NOTIFICATION.

No. D. 9155—*C. S.* 11-36-265, *dated Bangalore, the 4th June* 1938.

In exercise of the powers vested in them under Section 44 (2) (g) of the Mysore Co-operative Societies Act VII of 1918, as amended from time to time, the Government of His Highness the Maharaja of Mysore are pleased to make the following rule in the matter of the constitution of the Mysore Provincial Co-operative Apex Bank, Ltd., Bangalore:—

Rule 32.—1. The management of the Mysore Provincial Co-operative Apex Bank, Ltd., shall vest in a Board of Directors consisting of 15 persons including the President.

2. The President of the Board shall be elected annually by the General Body at the Annual General Meeting subject to the approval of Government.

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7. Of the twelve members of the Board elected in accordance with Clause 5 above, five shall retire by rotation at each annual general election, two each from out of the representatives of the rural and urban affiliated co-operative Societies and one from out of the representatives of preference share-holders and they shall not be

eligible for re-election till the next following Annual General Meeting of the Bank, the Directors to retire every year being determined by lot at a meeting of the Board prior to such annual general meeting and their names being mentioned in the Annual Report.

8. Any casual vacancy occurring in the Office of the President or other elected Directors by death, resignation or any other cause shall be filled up for the unexpired term of their office by the remaining members of the Board in such a way that the numbers of representatives of the preference share-holders and of urban and rural societies is in conformity with Clause 4 above, the election of the President being subject to the approval of Government.

9. The Chief Executive Officer of the Bank shall be the Secretary. He shall be a whole-time salaried Officer who shall be appointed by the Board subject to the approval of Government. He shall not be a member of the Board.

10. The Bank shall have a qualified Auditor on its staff for purposes of internal continuous audit and his appointment shall be subject to the approval of the Registrar.

N.B.—The expression "Urban Co-operative Societies." in this Rule shall mean and include all co-operative societies situated within the jurisdiction of the City and Town Municipalities in Mysore.

By Order,

P. H. KRISHNA RAO,

Secretary to Government,

Local Self-Government Department.

Printed by the Superintendent at the Government Press, Bangalore.